August 14, 2005 Press Office: 860-240-8700

## **Some Taxing Topics**



By State Representative John J. Ryan

I hope that you are enjoying the summer. I am trying to figure out how it got to be mid-August already, since I have been toiling away at the 'real job' for all of six straight weeks, and I finally got to Tanglewood this past

weekend (to see the incomparable James Galway featured in an all-Mozart program). So, I hope that you are getting time for more recreational activities than I have.

And since we are in the second half of August, it is time for our annual reminder that Connecticut's "Sales Tax Free Week" is imminent, and the beginning of the school year is not far behind. This is a small tax break initiated by Connecticut House Republicans several years ago.

In case you might have forgotten, here are the details:

- "Sales Tax Free Week" is the fourth week in August, the 21st through the 27th:
- any items of clothing costing less than \$300 are exempt from the normal Connecticut six percent sales tax;
- note the tax saving is for individual items, even if the total of all items exceeds \$300. E.g., four coats at \$299 each totaling \$1,196 are not charged the sales tax, but one item at \$301 pays the full sales tax;
- the exclusion on the sales tax also includes items placed on layaway during the tax free week;
- and the sales tax exclusion applies to clothing ordered via mail order, telephone and Internet provided that the sale is meant for immediate shipment.

Since we couldn't cover every possible question that you might have, if you need more information, please take a look at the Dept. of Revenue Services website at <a href="https://www.ct.gov/drs.">www.ct.gov/drs.</a>

As you know from our previous columns, I was less than delighted with the budget that was passed in this year's session, but at least we have been able to keep this taxpayer benefit in place again for this year.

And speaking of tax issues, did you see the excellent editorial August 1 in *The Wall Street Journal* recently "Estates of Pain," which makes a number of excellent observations about the new Connecticut Estate Tax that resulted from this year's budget? I not only agree with their viewpoint, but also with the conclusion that this bad tax policy will drive people out of our state that we want to encourage to stay here.

Unfortunately, the folks who make up the legislative majority here in Hartford not only believe that we need MORE taxes, and MORE tax increases, they totally pooh-pooh the notion that anyone would even think of moving to a more tax-friendly state.

So, I have an idea for a little "audience participation" project. Do you want to assist your local state legislator who is weary of voting 'No' on these tax increases? Have you started on the process of consulting with your financial advisor or tax attorney about moving yourself and/or your assets out-of-state?

I have personally heard from about two dozen folks already. If so, PLEASE send a letter to me in Hartford about your tax planning response to the new Estate Tax, so that we can have something to use as factual information to give to our "tax and spend" colleagues. Don't worry; we will edit out your name and personal details. I will be interested to see what you send.

Please feel free to contact me with your concerns and issues. As your state representative, it is my job, and my priority to represent you and to make sure that your needs and concerns are addressed at the capitol. You can write to me at Room 4200, Legislative Office Building, Hartford, CT 06106-1591, send me an e-mail at John.Ryan@housegop.state.ct.us or call my office toll-free at 1-800-842-1423.